

It is a Class A misdemeanor for a retailer to advertise that he will assume or absorb the sales tax on a purchase or that the sales tax will not be added to the selling price of the property sold. See 86 Ill. Adm. Code 150.515. (This is a GIL).

April 27, 1999

Dear Sirs:

It has come to our attention COMPANY advertised "No Sales Tax on Any Purchase made by April 30th" (see enclosed advertisement). Please consider this letter as fair notice that the advertisement violates the provisions of Section 7 of the Use Tax Act, 35 ILCS 105/7. As indicated therein, it is a Class A misdemeanor for a retailer to advertise that he will assume or absorb the sales tax on a purchase or that the sales tax will not be added to the selling price of the property sold. Please find enclosed a copy of 86 Ill. Adm. Code 150.515, which reflects this statutory prohibition.

While we do not want to interfere with your advertising techniques, under the circumstances, we are compelled to do so. Further advertisements of this nature could result in tax liabilities as well as criminal penalties.

I hope this information is helpful. The Department of Revenue maintains a Web site, which can be accessed at www.revenue.state.il.us. If you have further questions related to the Illinois sales tax laws, please contact the Department's Taxpayer Information Division at (217) 782-3336.

Very truly yours,

Gina Roccaforte
Associate Counsel

GR:msk
Enc.